

**COMMITTEE ON FINANCE**  
**(Standing Committee of Berkeley County Council)**

**Chairman:** Mr. Jack H. Schurlknight, Council Member District No. 6

A **special** meeting of the Committee on Finance, Standing Committee of Berkeley County Council, was held on **Monday, August 10, 2009**, in the Assembly Room of the Berkeley County Administration Building, 1003 Highway 52, Moncks Corner, South Carolina, at 6:58 p.m.

PRESENT: Chairman Jack H. Schurlknight, Council District No. 6; Committee Member Phillip Farley, Council District No. 1; Committee Member Timothy J. Callanan, Council District No. 2; Committee Member Robert O. Call, Jr., Council District No. 3; Committee Member Cathy S. Davis, Council District No. 4; Committee Member Caldwell Pinckney, Jr., Council District No. 7; Committee Member Steve C. Davis, Council District No. 8; County Supervisor Daniel W. Davis, ex officio; Mr. Joshua Gruber, Assistant County Attorney; and Ms. Barbara B. Austin, Clerk of County Council. Committee Member Dennis L. Fish, Council District No. 5 was excused from the meeting.

In accordance with the Freedom of Information Act, the electronic and print media were duly notified.

*During periods of discussion and/or presentations, minutes are typically condensed and paraphrased.*

Chairman Schurlknight called the meeting to order.

**EXECUTIVE SESSION**

It was moved by Council Member Pinckney and seconded by Council Member Callanan to enter into Executive Session to discuss matters relating to the proposed location, expansion, or provision of services encouraging location or expansion of industries or other businesses in the area served by the County; or discussions of negotiations incident to proposed contractual arrangements and proposed sale or purchase of property; the receipt of legal advice, where the legal advice relates to a pending, threatened or potential claim; or other matters covered by the attorney/client privilege; settlement of legal claim or the position of the County in other adversary situations involving the assertion against the County of a claim. The motion passed by unanimous voice vote of Council.

The Committee entered into Executive Session at 7:00 p.m., and returned to Committee Session at 8:04 p.m.

Mr. Joshua Gruber, Assistant County Attorney, reported that the Committee entered into Executive Session for reasons stated in the motion, and no formal action was taken.

**A. Ms. Leonitta Turner, Human Resources Director, Re: Consideration of moving from the State Health Plan (Horne/Guest).**

Ms. Turner stated that Horne/Guest would provide a presentation regarding moving from the State Health Plan. This presentation is a recommendation only and a start to providing information to employees.

Mr. Mark Combs, an Employee Benefits Consultant of Horne/Guest, was hired to conduct initial exploratory consulting advice to determine other alternatives over the State Health Plan. This is a contentious time to consider health plans. The State Health Plan has its benefits but there is no flexibility to design the desired programs. The new plan and premiums will be presented and the employees will have to decide the best plan for the family. The core of any health plan is doctors, hospitals and prescription drugs coverage. The providers charge more every year and employers must deliver an affordable plan that doesn't cause the employees to have a pay reduction. Analysis was completed on the current state health plan and premiums being paid versus the benefits. Potential options were investigated. The details are very complex and have many implications to employees. The impact to employees on the current state plan is not known at this time. The overall goal is to take care of employees and their families and be good stewards of the financial resources.

Chairman Schurlknight stated the objective is to make sure the employees and their families are protected.

Mr. Combs stated the objective is to put employees in at least as good or better position as they were with the state plan. The plan can be successful long term while focusing on the factors that cause health care costs. An environment that will proactively help the employees get better over time and benefit financially is the ultimate goal.

Chairman Schurlknight stated that the employees need to be educated as to a family practitioner versus the emergency room. This would reduce the amount of claims.

Mr. Combs stated that any program would need a comprehensive package that would give the employees the necessary tools in order to be healthy. A significant portion of the population is under a HMO with Blue Choice and Cigna with no out-of-network benefits. There also are no network benefits outside of South Carolina.

Committee Member Farley inquired if you are injured while in New York, the insurance would not cover it.

Mr. Combs stated that in an emergency, the employee does have national coverage.

Committee Member S. Davis stated that with the current climate from Washington, this issue is 1/6<sup>th</sup> of the Gross National Product. The local issue could be impacted tremendously based on the decisions in Washington. The window of opportunity is only until September of

this year and a decision would have to be made to opt out of the State Health Plan. This is a relatively short period of time to educate the employees regarding the new plan. If the legislation passes in Washington or not, the increase that is shown in the analysis continues to rise.

Mr. Combs stated that the national debate is enormous. The question is what should be done between now and 2013 and what is the impact of on-going state health plan increases on employees.

Committee Member S. Davis stated that by next year, the issues would have been debated and the 763 employees could make better decisions.

Committee Member Farley inquired if the 763 employees included Water & Sanitation.

Mr. Combs replied that Water & Sanitation has an additional 190 employees that are enrolled in a health plan and includes retirees.

Committee Member Callanan stated the health care debate flares up every five or six years and didn't see the support for it. If employees can get equal or better service at a lower cost, there is no need to wait. Socialized medicine is not going to be available in the near future.

Committee S. Davis disagreed with the term "socialized medicine" and with the assessment that there is a national commitment to address this issue which has been put on the sideline from presidents. There is a national debate on-going and there is a commitment to achieve a compromise which will address this trend of high health costs. This issue does not come up every five or six years and was not an issue when George Bush was in office. He did not address this 1/6 of the Gross National Product. There may be a national resolution of this issue to some degree. The timing may be off in relationship to this environment. Numerous phone calls have been received from employees that have not had an opportunity to digest this change that is being suggested with decisions made by September.

Committee Member Callanan stated the employees are wary because no information has been issued. Either this year or next year, there would still be a deadline for a decision to be made. Employees need to start receiving information. The new plans provide additional options at a lower cost. If the Blue Choice State Plan is not chosen, there is a new option available. The Wellness option has never been offered before. Most of the employee concern is the result of not knowing.

Chairman Schurlknight stated that the employees need to be educated as to the plan details. Employee meetings should be held to provide feedback. The County is looking to save money, but the employees deserve to have the time to digest this information. Before a decision is made that will affect the employees and their families, they need to be informed and feedback given.

Mr. Combs stated that circumstances have to be considered. A single mother trying to make ends meet, covering her children would have a substantial increase in premiums.

Committee Member S. Davis stated that Blue Choice is owned by Blue Cross.

Mr. Combs stated that Blue Cross actually submitted a proposal also. They are separate organizations that have the same holding company but different operations.

Committee Member S. Davis stated that with the same holding company, the profit line goes to the same company. This limits competition when the only choice is Blue Choice and Blue Cross.

Mr. Combs stated there are only 16 people on Cigna. There is basically no competition under the state plan.

Committee Member S. Davis stated that national legislation that changes and creates an opportunity for competition, the taxpayers may be ahead in relationship to a competitive environment that would run costs down.

Committee Member Callanan stated that inter-state competition is not part of the existing health care proposal.

Committee Member C. Davis inquired if there are any other counties that have left the State Plan and joined with Blue Choice.

Mr. Combs replied there are numerous cities and counties that are not with the State Plan.

Committee Member C. Davis inquired if they have been with the new plan for many years and are happy with the plan.

Committee Member S. Davis stated that according to the pamphlet that was distributed, the cities that are listed are Clemson, Anderson, and Mauldin. There are not any counties listed except Chester.

Mr. Combs stated the pamphlet is from the district office and does not provide all of the counties. A list of counties can be provided.

Committee Member S. Davis stated the number of employees would be greater for a county in comparison of an average city.

Committee Member C. Davis inquired if pre-existing conditions would be covered.

Mr. Combs stated that pre-existing conditions would be covered. The overall goal when looking at Blue Choice was that the vast majority of employees are already with Blue Choice with an HMO. This would be a very comparable experience to what an employee has at this

time. Under a PPO environment, there are in and out of network benefits. With the State Plan HMO, there would be difficulty getting out-of-network benefits. Outside of South Carolina, the Blue Card network is utilized. The new plan would have the option for the employees that pay the least amount would not be harmed and would pay the same premium. A sick or healthy employee would benefit from this plan. A dual option would be recommended for a separate plan. With the structure of the current employee contributions, half of the population would elect into the plan with the lower employee contributions which is comparable to the State Plan.

Chairman Schurlknight commended Mr. Combs and Ms. Turner for the presentation.

**B. Review prior to Second Reading of the following:**

**1. Bill No. 09-32**, an Ordinance to amend Ordinance No. 09-06-31 providing for the fiscal year beginning **July 1, 2009, and ending June 30, 2010**, for the **Sangaree Special Tax District** operational budget; and to provide for the expenditures of the revenues received by the Sangaree Special Tax District during the fiscal year.

It was moved by Committee Member C. Davis and seconded by Committee Member Callanan to **approve** prior to **Second Reading, Bill 09-32**. The motion passed by unanimous voice vote of the Committee.

**2. Bill No. 09-37**, an **ordinance** authorizing the execution and delivery of a second amendment to fee agreement between Berkeley County, South Carolina and **RG-MWV, LLC**; and matters relating thereto.

It was moved by Committee Member Callanan and seconded by Committee Member S. Davis to **approve** prior to **Second Reading, Bill 09-37**. The motion passed by unanimous voice vote of the Committee.

It was moved by Committee Member Callanan and seconded by Committee Member S. Davis to **adjourn** the Committee on Finance meeting. The motion passed by unanimous voice vote of the Committee.

The meeting ended at 8:28 pm.

September 28, 2009  
Date Approved

**FINANCE**

(Standing Committee of Berkeley County Council)

Chairman: Mr. Jack H. Schurlknight, District No. 6

Members: Mr. Phillip Farley, District No. 1  
Mr. Timothy J. Callanan, District No. 2  
Mr. Robert O. Call, Jr., District No. 3  
Mrs. Cathy S. Davis, District No. 4  
Mr. Dennis L. Fish, District No. 5  
Mr. Caldwell Pinckney, Jr., District No. 7  
Mr. Steve C. Davis, District No. 8  
Mr. Daniel W. Davis, Supervisor, ex officio

A **special** meeting of the **COMMITTEE ON FINANCE**, Standing Committee of Berkeley County Council will be held on **Monday August 10, 2009**, following the meetings of the Committees on Public Works and Purchasing, Water and Sanitation, Land Use, Community Services, and Justice and Public Safety at **6:00 p.m.**, in the Assembly Room, Berkeley County Administration Building, 1003 Highway 52, Moncks Corner, South Carolina.

**AGENDA**

**EXECUTIVE SESSION** to discuss matters relating to the discussion of employment, appointment, compensation, promotion, demotion, discipline, or release of an employee, a student, or a person regulated by a public body and the receipt of legal advice where the legal advice relates to a pending, threatened, or potential claim and other matters covered by the attorney-client privilege.

**A. Ms. Leonitta Turner, Human Resources Director**, Re: Consideration of moving from the State Health Plan (Hornes/Guest).

**B. Review** prior to **Second Reading** of the following:

**1. Bill No. 09-32**, an Ordinance to amend Ordinance No. 09-06-31 providing for the fiscal year beginning **July 1, 2009, and ending June 30, 2010**, for the **Sangaree Special Tax District** operational budget; and to provide for the expenditures of the revenues received by the Sangaree Special Tax District during the fiscal year.

**2. Bill No. 09-37**, an **ordinance** authorizing the execution and delivery of a second amendment to fee agreement between Berkeley County, South Carolina and **RG-MWV, LLC**; and matters relating thereto.

August 5, 2009  
S/Barbara B. Austin, CCC  
Clerk of County Council

